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# Embassy in Soviet to Drop Russians

By JOEL BRINKLEY

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WASHINGTON, June 24 — The State Department plans to reduce the number of foreign nationals working in American embassies in Soviet-bloc countries because many of them are believed to be spies, Government officials said today.

Meanwhile, Secretary of State George P. Shultz told a Senator that he "endorsed in principle" an advisory panel's recommendation that dozens of new embassies and consulates be built around the world to discourage terrorist attacks.

In a letter to Senator Richard G. Lugar, the Indiana Republican who is chairman of the Foreign Relations Committee, Mr. Shultz said the cost of construction had been put at more than \$3 billion dollars over the next five to seven years.

The reduction of foreign employees and the construction program are among actions recommended in a report by an Advisory Panel on Overseas Security that Mr. Shultz set up in July 1984. The panel was headed by Adm. Bobby R. Inman, former Deputy Director of Central Intelligence.

## Secret Portion Is Described

An expurgated version of the report describing the building proposal is to be made public Tuesday, but a summary was made available today. A 50-page supplement detailing espionage problems in United States embassies in Soviet-bloc countries will not be made public, but Government officials and members of Congress described its contents today.

According to Senator Patrick J. Leahy, a Vermont Democrat who as vice chairman of the Senate Select Committee on Intelligence has been briefed on the problem, the report says so many Russians, including known intelligence agents, are employed at the American Embassy in Moscow that the embassy "is a sieve."

About half of the nearly 400 people working in the embassy in Moscow are Soviet citizens. The ratio of foreign nationals to United States citizens is similar in other embassies in Soviet-bloc capitals, just as it is in most other American embassies around the world.

But in Soviet-bloc capitals, officials said, local citizens can generally work in Western embassies only with the approval of their governments, which usually means security clearance and approval of the security agencies of the host countries.

"Sure there are agents of the

K.G.B." a State Department official said today, referring to the Soviet internal security and intelligence agency, "but there are also many loyal employees who have worked for us for years despite great hardships."

The Soviet citizens are employed in such jobs as secretaries, photocopyers, chauffeurs, repairmen and ground-keepers.

## Practice Has Long Been Debated

Members of Congress and State Department officials have long debated the wisdom of employing Soviet citizens. The State Department has defended the practice, on the ground that Soviet citizens have no access to American secrets.

But, according to an intelligence official, the advisory panel found that Soviet citizens are "so pervasive throughout the embassy" that by watching and reading available materials they can gather sensitive information.

The State Department has insisted that there have been no major security breaches. But early this year officials acknowledged that electronic bugging devices had been found in embassy typewriters.

A Soviet employee had been in charge of assigning typewriters, and when the devices were discovered, one typewriter was being used by the secretary of the deputy chief of mission, the embassy's second ranking officer, an intelligence official said today.

Officials who have read the advisory report said that it described several other instances of security breaches attributed to Soviet employees.

The officials said that listening devices had been found in some embassy vehicles and that Soviet employees might have typed early versions of documents that were later classified as confidential or secret. Although the early versions probably did not contain sensitive material, the officials said, the Soviet employees could obtain useful information by reading the initial material, overhearing conversations and then watching the comings and goings of embassy personnel.

## State Dept. Opposes Limitations

The State Department has resisted replacing the Soviet employees because of the cost of hiring, training and housing hundreds of Americans for menial jobs in Moscow and other Soviet-bloc capitals. In addition, a State Department official said, "these are the people who actually live in the society and can get things done for us."

The State Department has opposed legislation that would limit the number of local employees in Soviet-bloc countries to the number of Americans employed by the embassies of the host countries in Washington. The Soviet Embassy here has fewer than 10 American employees, Senator Leahy said, a sponsor of the legislation.

The legislation has passed the Senate and will be discussed in a Senate-House conference. A State Department official said, "We don't think we should be dictated to on this question."

But several officials said the Administration had decided, partly in reaction to the advisory report, to reduce the number of foreign employees in Soviet-bloc countries.

The espionage problem is also a reason behind the proposal to build new embassies and consulates. In Soviet-bloc countries, officials said, host governments can plant listening devices in embassy walls. But the principal reason for the building proposal is the threat of terrorism in countries outside the Soviet bloc.